

# Work Session

<b>Agenda Item #</b>	2, 3, 4, 5, 6, and 7
<b>Meeting Date</b>	May 16, 2005
<b>Prepared By</b>	Barbara B. Matthews City Manager
<b>Approved By</b>	

<b>Discussion Item</b>	Proposed Budget for FY06
<b>Background</b>	<p>The City's new fiscal year will commence on July 1, 2005. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager has prepared a proposed budget for consideration by the City Council.</p> <p>The proposed budget for FY06 accounts for the City's financial activities in four major funds or fiscal entities. They are the General Fund, the Storm Water Management Fund, the Special Revenue Funds, and the Community Center Fund.</p> <p>The City Council will hold a series of work sessions to discuss the proposed budget. The work session on May 16 will focus on the following topics:</p> <ul style="list-style-type: none"> <li>• Communications</li> <li>• General Government, including Legal Services</li> <li>• Police, including Special Revenue Projects</li> <li>• Non-Departmental</li> <li>• Community Center Fund</li> <li>• Debt Service</li> </ul> <p>The City Manager, in consultation with staff, has identified a number of issues for discussion during the work session. These issues are addressed under separate cover.</p>
<b>Policy</b>	In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager is charged with submission of a proposed budget for consideration of the City Council. Before adoption of the budget, the City Council shall hold at least one public hearing.
<b>Fiscal Impact</b>	The City Manager's proposed budget for FY06 provides for total expenditures of \$20,078,016. General Fund expenditures total \$16,987,226. Combined expenditures for the other funds (Storm Water Management, Special Revenue, and Community Center) equal \$3,090,790.

<b>Attachments</b>	<p>Staff previously provided the City Council with a binder containing information related to the FY06 proposed budget. The information contained therein will be discussed at the work session. Staff requests that Councilmembers bring their binders with them to the work session.</p> <p>New documents being provided to the City Council include the following:</p> <ul style="list-style-type: none"> <li>• Communications Budget at a Glance</li> <li>• Memo dated May 13, 2005 from Communications Director Lonni Moffet regarding budgetary and operational issues</li> <li>• General Government Budget at a Glance</li> <li>• Memo dated May 13, 2005 from City Manager Barbara Matthews regarding legal services</li> <li>• Police Department Budget at a Glance</li> <li>• Description of projects included in Special Revenue Funds that are related to police activities</li> <li>• Memo dated May 13, 2005 from Chief Cindy Creamer regarding budgetary and operational issues</li> <li>• Overview of Non-Departmental</li> </ul>
<b>Recommendation</b>	<p>Staff recommends that the City Council discuss the aforementioned budgetary items and provide direction to the City Manager relative to the proposed budget for Communications, General Government, Police, Non-Departmental, the Community Center Fund, and debt service.</p>
<b>Special Consideration</b>	

## **COMMUNICATIONS BUDGET AT A GLANCE**

- ❖ Budget breakdown (\$347,919)
  - Personnel costs = 72.7%
  - Supplies = 0.6%
  - Services and charges = 7.6%
  - Miscellaneous = 19.1%
  
- ❖ Overall budget increase of \$21,759 or 6.7% compared to FY05
  
- ❖ Primary area of cost increase
  - Personnel costs = \$19,249
  
- ❖ No change in FTE count

May 13, 2005

To: Barbara Matthews, City Manager  
From: Lonni Moffet, Communications Director  
Re: Communications Budget FY06

Issues facing the Communications division this year include the following:

- Web Site: While content for the new website (takomaparkmd.gov) is 95% done, much coding has had to be redone to assure compliance with international accessibility standards. Staff are progressing on this project and we expect completion by the end of the summer.
- Cable Equipment: Staff are working with engineers to identify equipment and plan upgrades for the new spaces in the Community Center.
- Translation: Staff are investigating translation issues including identifying costs of translation, the usefulness of machine-language translation on the web site and the current inventory of translated documents. Substantial translation of City documents and materials could have a significant cost.
- Newsletter: Costs have increased slightly for paste-up and printing, as reflected in the budget.

### **Funding and Revenues**

As illustrated on the chart, Communications Funding Sources, funding for the City's cable television operations comes from several external sources. Franchise fees are charged to all cable television operators for use of the public rights of way. These fees are based on 5% of gross revenues, of which the County keeps 30% for administration of the franchise. Franchise fee revenue to the City for FY 06 is estimated at \$141,932 from the Comcast and Starpower operations. Additional funding for the City's cable television operations is via an annual grant of \$50,000 received from the Comcast franchise via the County, increased by the CPI annually, projected at \$59,448 for FY06.

A separate capital equipment grant was allocated to the City as part of the 1998 franchise renewal which included \$126,000 for FY 99 and \$148,000 for FY 00. Starting with FY01, and for the remaining 13 years of the franchise, the capital equipment grant is reduced to \$20,000 annually with a CPI adjustment which started in FY 02. FY05 Capital Grant revenues from the Comcast agreement were \$22,233 and are projected at \$22,788 for FY06. In addition to franchise fees, the Starpower franchise agreement provides support for PEG (public, educational and government) access channels based on 3% of gross revenues, with the City slated to receive 1/7 of that total. The FY05 estimated total is projected to be \$22,000, and the FY06 estimate is \$22,704.

The City has an "Interim Agreement" with MCI-Metro Access (formerly MFS), a telecommunications company for use of the Public-Rights-Of-Way (PROW). This agreement pays the City \$19,604 annually for use of the rights-of-way. The agreement was renewed in June of 2004 until July 31, 2007.

### **Web-Streaming**

As the Council is aware, staff has researched various web-streaming applications to enhance the City's outreach efforts. Staff will be presenting a recommendation to Council during June for purchase of the Granicus web-streaming application, which will provide live streaming of Council meetings (and possibly other City TV programs) as well as archives which will be searchable by agenda item topics. If approved by the Council, FY05 funding would be utilized.

## **GENERAL GOVERNMENT BUDGET AT A GLANCE**

- ❖ Budget breakdown (\$1,929,889)
  - Personnel costs = 68.0%
  - Supplies = 2.0%
  - Services and charges = 22.3%
  - Miscellaneous = 7.7%
- ❖ Overall budget increase of \$163,440 or 9.2% compared to FY05
- ❖ Primary areas of cost increase
  - Total personnel costs = \$37,370
  - Election expense = \$20,000 (Legislative)
  - Residents survey = \$35,000 (General Management)
  - Legal services = \$39,150 (Legal)
  - Software licensing fees = \$11,000 (Information Systems)
- ❖ Staffing Changes
  - Overall FTE decrease of 0.5
  - Elimination of procurement officer position
  - Elimination of part-time passport agent/clerical support position
  - Addition of finance direction position
- ❖ Newly created City Clerks Division
  - Included with Finance Division in FY5 budget

# Memo

To: City Council  
From: Barbara B. Matthews, City Manager  
CC: Wayne Hobbs, Deputy City Manager  
Date: May 13, 2005  
Re: Legal Services

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In recent months, there has been considerable discussion concerning the city's cost for legal services. To assist the City Council in its discussion of this matter, I contacted a number of cities to gather information on different models for obtaining legal services. This information is summarized below.

## **City of Rockville**

The City Attorney for the City of Rockville is with a private firm and provides services to the city on an hourly basis. Another member of the firm serves as the Assistant City Attorney; this individual works at City Hall and functions day-to-day as in-house counsel.

The City of Rockville also has an Assistant City Attorney who is a part-time employee of the city. The staff also includes a full-time administrative support position. Both employees report to the City Attorney.

According to the City Manager, this arrangement works well for the City of Rockville. The city has access to the full range of services and expertise offered by the law firm, as well as a consistent on-site generalist.

The City of Rockville's annual budget for legal services is approximately \$700,000. Additional costs related to the city's Town Center project are charged to the capital budget.

## **City of Gaithersburg**

In FY05, the City of Gaithersburg employed in-house counsel. The City of Gaithersburg also contracts for legal services in a number of specialized areas. These areas include telecommunications, personnel, Board of Appeals, Landlord/Tenant Affairs, and land use. Payment for these services is made on an hourly basis.

The former City Attorney for the City of Gaithersburg is also on retainer. This individual has considerable expertise in the area of zoning and is consulted on more complex land use matters. The city's in-house counsel will also use the services of this individual, as workload requires.

The City of Gaithersburg's proposed budget for legal services for FY06 totals approximately \$204,000.

### **City of Frederick**

Like Gaithersburg, the City of Frederick utilizes both in-house and contractual legal services. The city's in-house legal staff is substantial and consists of five attorneys, one legislative clerk, and two administrative assistants.

The FY06 budget information provided to me by the City of Frederick reflects professional services in the amount of \$90,000.

The City of Frederick's proposed budget for its legal services division for FY06 totals approximately \$678,000. It should be noted that this amount does not reflect the total cost of the city's in-house counsel. One staff attorney does a considerable amount of work for the Police Department, and 80 percent of this individual's salary is accounted for in that departmental budget.

### **City of Annapolis**

The City of Annapolis also utilizes a combination of in-house and contractual legal services. I have requested detailed information on staffing and funding levels; however, this information has not yet been received.

### **Recommendation**

During my 19 years in local government management, I have worked in two communities that have utilized in-house counsel. One was a very large city with a population over 400,000 (Kansas City, Missouri). The other was a high-growth city with a population of approximately 80,000 that was dealing with significant land use and zoning issues (Lee's Summit, Missouri). The other communities in which I have worked contracted for legal services. These communities were more comparable to Takoma Park in terms of their population.

Minimum staffing for in-house legal service would be one attorney and a legal secretary/executive assistant. Based on the information I have gathered to date, I anticipate that salary and benefit costs for these positions would be in the range of \$160,000 - \$180,000. Projected costs for Westlaw and other legal publications would be about \$10,000 per year. Additional costs for insurance and other operating expenses would also be required.

Based on my research of municipalities in the State of Maryland as well as my own professional experience, the use of in-house counsel does not negate the need for contractual legal services. It is not reasonable to assume that one attorney will have the necessary expertise to handle all of the city's legal needs and to meet the city's workload demands in a timely fashion. The qualifications and experience of the individual hired as in-house counsel, as well as the nature of the city's legal needs from year to year, would impact the extent and cost of outside legal services required by the city.

In my opinion, the city's emphasis should be on containing legal costs through strong management oversight as well as exploring alternatives to the current billing structure. It is unusual in my experience to have all legal services billed on an hourly basis, as the city currently does. A monthly retainer fee would cover certain services (for example, brief telephone consultations, reading of e-mails, and review of draft ordinances and resolutions). Other services, such as legal research and litigation, would be provided on an hourly basis.

**POLICE  
BUDGET AT A GLANCE**

- ❖ Budget breakdown (\$4,708,781)
  - Personnel costs = 94.6%
  - Supplies = 1.8%
  - Services and charges = 2.2%
  - Miscellaneous = 1.4%
  
- ❖ Overall budget increase of \$278,334 or 6.3% compared to FY05
  
- ❖ Primary area of cost increase
  - Personnel costs = \$295,334
  
- ❖ No change in FTE count
  - Same number of crossing guards as FY05



**SPECIAL REVENUE FUNDS**  
**POLICE DEPARTMENT**

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**CDBG CSAFE (PY 30)**

**\$12,525**

Funding Source: Montgomery County Department of Housing and Community Affairs Community Development Block Grant (CDBG) program. City receives an average annual allocation of \$167,000 from the County. Council approves all awards for local projects and programming.

Project: Covers salary and other costs for the Community Organizer in the Montgomery County portion of the CSAFE area.

**CDBG CSAFE (PY 31)**

**\$9,000**

Funding Source: Montgomery County Department of Housing and Community Affairs' Community Development Block Grant (CDBG) program. City receives an average annual allocation of \$167,000 from the County. Council approves all awards for local projects and programming.

Project: Covers salary and other costs for the Community Organizer in the Montgomery County portion of the CSAFE area.

**CSAFE COMMUNITY MOBILIZATION**

**\$46,820**

Funding Source: Prince George's County Executive Discretionary Grant.

Project: Covers the personnel and other expenses for the Community Organizer in the Prince George's County portion of the CSAFE area.

**CSAFE YOUTH STRATEGIES**

**\$25,000**

Funding Source: Montgomery County Collaboration Council.

Project: Covers the personnel and other expenses for the Community Organizer in the Montgomery County portion of the CSAFE area.

**CSAFE COORDINATOR**

**\$82,402**

Funding Source: Governor's Office of Crime Control and Prevention.

Project: Covers the personnel and other expenses for the position of CSAFE Coordinator.

**CSAFE WEED AND SEED****\$2,500**

Funding Source: Silver Spring Team for Children and Families via Montgomery Youth Works.

Project: Can be used for a variety of discretionary needs. The monies have not yet been specifically obligated for a particular purpose.

**LLEBG 2003****\$20,026**

Funding Source: United States Department of Justice, Bureau of Justice Administration, Local Law Enforcement Block Grant Program. Requires approximately ten percent local match.

Project: Supplemental K-9 equipment, bike patrol gear, bike patrol overtime details, supplemental civil disorder/emergency response gear, and in-car video camera system.

**LLEBG 2004****\$13,063**

Funding Source: United States Department of Justice, Bureau of Justice Administration, Local Law Enforcement Block Grant Program. Requires approximately ten percent local match.

Project: Improved evidence processing supplies, sector specific meetings aimed at building partnerships, and in-car video camera system.

**COPS TECHNOLOGY GRANT****\$98,664**

Funding Source: United States Department of Justice.

Project: Improved evidence processing supplies, sector specific meetings aimed at building partnerships, and in-car video camera system.

## MEMORANDUM

TO: City Council

VIA: Barbara B. Matthews  
City Manager

FROM: Cynthia A. Creamer  
Chief of Police

DATE: May 13, 2005

SUBJECT: Re: FY06 Budget - Police Department

In preparation for the work session concerning the proposed Police Department budget for FY06, the City Manager asked me to provide information on several topics that have been of interest to the City Council. These issues are discussed below

### **Law Enforcement Accreditation**

The Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) was formed in 1979 to develop an accreditation process that provides law enforcement agencies an opportunity to demonstrate that they meet an established set of professional standards. These standards are designed to:

- Increase law enforcement agency capabilities to prevent and control crime;
- Increase agency effectiveness and efficiency in the delivery of services;
- Increase cooperation and coordination with other law enforcement agencies and with other agencies of the criminal justice system; and
- Increase citizen and employee confidence in the goals, objectives, policies, and practices of the agency.

The benefits of having an accredited police department include the ability to control liability insurance costs; defending against lawsuits and citizen complaints; greater accountability within the agency; increased community advocacy; and recognition for excellence.

The police department has been preparing for an on-site assessment which will occur in August of 2005. A team of trained assessors will verify the police department's compliance with standards by checking its proofs and interviewing operations and management personnel. The assessors will also conduct a public hearing to elicit citizens comments.

Money for the on-site has been allocated in the FY05 police department budget (\$5,000); however, the on-site will not occur until FY06. The contract with CALEA will be due in FY06 as well (\$4,590). In addition to her other duties and responsibilities, the Command Assistant/Public Affairs Specialist has been tasked with the role of Accreditation Manager. The responsibility and volume of work associated with this position dictates the need for at least a part-time person to perform in this role. No money has been included in the budget for this.

### **Police Department Communications - Dispatch**

The police department is authorized six dispatcher positions to perform the 24-hour communications function. Members of a TASDI sub-committee, exploring alternatives to City delivery of services, looked at transferring the communications function to Montgomery County Police. Because of the complex nature of the situation, and the variety of work that is performed by the police dispatcher, the sub-committee suggested that this warranted further in-depth study. The City Manager has taken the lead in arranging meetings with Montgomery County to discuss this.

### **Police Department - Criminal Investigations**

Criminal Investigations is another area that was explored by the TASDI sub-committee. The City Manager has taken the lead in arranging meetings with Montgomery County to discuss this as well.

### **Crossing Guard**

In April 2005, the Council directed re-assignment of the 7<sup>th</sup> Crossing Guard to the intersection of Philadelphia Avenue and Old Philadelphia Avenue. This eliminated the ability to backfill a post in the event another guard was absent. Since that time, there have been eight occasions when other members of the police department have had to fill in on a guard post. The City Manager has taken the lead on discussing this issue, as it relates to rebate, with Montgomery County.

### **CSAFE Model in Old Town**

Staff continues to look for grant funding that would meet the needs of the program, as well as meeting the requirements of the grant.

The police departments continue to participate in regular meetings to share information on offenders as well as crime trends. This occurs at the patrol officer level, as well as the investigator level. This coordinated effort has resulted in the closure of a number of criminal cases. Due to staffing levels, neither agency has been able to conduct any partner on patrol or joint roll call type events.

I met with Chief Ramsey as well as Deputy Chief Neusham and Commander Burton to discuss the premise of CSAFE. They like the program and are somewhat familiar with it. We talked about the

"deputizing" of our officers as well. It seems that the current holdup (between DC and PG) is with the US Marshall's Service (who will sponsor the deputizing). Liability is the major concern of the Marshall's service. There have been some on-going talks with some other federal agencies (ATF for instance), but it is too soon to determine if ATF can take the place of the US Marshall's Service with regard to the deputizing.

## NON-DEPARTMENTAL

This budgetary unit provides for the cost of government services that are not directly attributable to a specific City department. These items include liability and property insurance coverage, employee training, and support of City boards and commissions.

Further information on non-departmental expenditures is provided below.

**PERSONNEL COSTS** – The cost of the City's Employee Recognition Program (\$70,000) is included in this classification. Program expenditures include pay increases for distinguished performance, the annual Employee Recognition Day, the Service Awards Program, and the holiday party and gift certificates.

The other major expenditure in this classification is a supplemental payment made by the City to the State of Maryland Employees' Retirement System. This payment is in addition to the City's annual pension contribution made on behalf of civilian personnel. In the mid 1990s, the General Assembly revised the billing practices for the Employee's Retirement System. The legislation allowed the City to amortize its funding deficit over a period of 40 years. The payment for FY06 is \$69,500.

The cost of the City's Employee Assistance Program is also accounted for in this category.

**SERVICES AND CHARGES** – The City's cost for liability and property insurance coverage comprises the majority of expenditures in this category. The City purchases all insurance coverage, with the exception of health and worker's compensation, through the Local Government Insurance Trust. The budget includes \$133,500 for the City's liability and property insurance coverage.

The other major expenditure included in this classification is the cost of the Day Laborer site on New Hampshire Avenue. The budget includes \$80,000 for the site's operation. A portion of this cost is offset by a contribution in the amount of \$39,000 from Montgomery County. The County's contribution is accounted for in the Special Revenue Funds.

Funding in the amount of \$25,000 is included for contracts that are non-departmental in nature.

**MISCELLANEOUS** – The cost of the City's homeowner property tax rebate program is reflected in this classification. In FY05, the City provided those homeowners who qualified for the State tax credit with a rebate of 30 percent of the State credit amount. The City Council has discussed increasing the rebate amount to 50 percent. The budget includes \$50,000 for the property tax rebate program.

This classification also includes \$50,000 for employee training. A portion of these funds will be used for a citywide customer service training program; a train-the-trainer approach will be utilized.

One-half of one percent of revenues is set aside as a general contingency account to cover unexpected operating expenses during the fiscal year. Approximately \$78,000 is included for this purpose.

The "miscellaneous" classification also provides \$25,250 for support of City committees and commissions and community activities. Funding is provided for the Arts and Humanities Commission, the Public Safety Citizens' Advisory Committee, Fourth of July activities, and community festivals.

Other expenditures included in the “miscellaneous” category include the City’s tuition reimbursement program, the payout of accrued leave to employees separating from the City’s employment, and bad debt expense.

**COUNCIL CONTINGENCY** – In accordance with the Charter of the City of Takoma Park, two percent of revenues is set aside in an unappropriated reserve fund to cover unexpected costs. This contingency account includes \$314,977.

**EQUIPMENT REPLACEMENT RESERVE** – A contribution of \$100,000 to the Equipment Replacement Reserve is proposed to ensure funding for the future purchase of equipment and vehicles. This contribution will be processed as a transfer from the General Fund undesignated reserve to the Equipment Replacement Reserve. It is shown in the budget as an expenditure for disclosure purposes.